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TELEGRAM

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INFO OCT 01,EUR 17,CAB 09,CIAE 00,COM 08,DODE 00,DOT 12,INR 07,
NSAE 00,RSC 01,SSO 00,NSCE 00,USIE 00,P 03,PRS 01,L 03,H 02,
SS 20,NSC 10,RSR 01,CCO 00,/110 W

DEPARTMENT OF STATE A/CDC/MR 057063
REVIEWED BY _____ DATE 25 MAY 1982
RDS☐or XDS☐EXT. DATE _____
TS AUTH. _____ REASON(S) _____
ENDORSE EXISTING MARKINGS ☐
DECLASSIFIED☐ RELEASABLE☒
RELEASE DENIED☐
PA or FOI EXEMPTIONS _____

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FM AMEMBASSY ROME
TO SECSTATE WASHDC IMMEDIATE 2444

C O N F I D E N T I A L ROME 6002

SUBJECT: CIVAIR

1. ALITALIA ANNOUNCED EVENING OF SEPT 19 ITS DECISION TO DENOUNCE CURRENT IATA NORTH ATLANTIC SECTOR FARE AGREEMENT AND SET NEW ROME-NEW YORK FARE OF $299 ROUND TRIP EFFECTIVE NOVEMBER 1. AP VERSION OF STORY CARRIED STATEMENT THAT ALITALIA HAD ASKED US AND ITALIAN GOVERNMENTS TO RATIFY NEW FARE, AND THAT THIS WOULD TAKE PLACE AS A MATTER OF COURSE. ITALIAN PRESS VERSION MERELY STATES "AS SOON AS TWO GOVERNMENTS HAVE APPROVED, NEW FARES WILL ENTER INTO FORCE."

2. ITALIAN FOREIGN OFFICE HEAD OF CIVIL AVIATION SECTION TAKEN COMPLETELY BY SURPRISE BY THIS ACTION OF WHICH HE HAD NO FOREWARNING. HE SEEMED QUITE SURE NO APPROACH OF ANY KIND HAD BEEN MADE IN WASHINGTON. LOCAL PANAM AND TWA REPRESENTATIVES HAD INITIALLY UNFAVORABLE REACTION. TWA INDICATED CUT WAS BOTH TOO DEEP AND UNTIMELY AND WOULD UNDERCUT WHOLE STRUCTURE OF SPECIAL FARES WHICH AIRLINES HAD BEEN BUILDING UP TO ENCOURAGE TOURISM. INDICATED TIMING PARTICULARLY UNFORTUNATE IN VIEW CARRIERS' RECENT EFFORTS TO OBTAIN DOMESTIC FARE INCREASES.

3. NO ONE AVAILABLE FOR COMMENT AT ALITALIA THIS MORNING. GENERAL SANTINI OF CIVILAVIA SAID HIS AGENCY INFORMED OF ALITALIA DECISION ONLY AT LAST MOMENT. SAID PERHAPS ALITALIA HAD MENTIONED IT TO SOMEONE IN WASHINGTON IN ADVANCE ALTHOUGH CIVILAVIA HAD NOT. SUGGESTED EXCHANGE OF IDEAS

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ON THE MATTER WITH THE CHARGE AT SCHEDULED MEETING MORNING OF SEPT 22.

4. APPRECIATE GUIDANCE CONCERNIN US VIEWS ON ALITALIA INITIATIVE. UNLESS INSTRUCTED TO THE CONTRARY, WILL PROCEED AS SCHEDULED WITH PRESENTATION OF NEW US PROPOSAL ON MULTIPLE DESIGNATION.

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